



Financial Services
Corporate Services Commission

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MEMO

Date: February 28, 2019
To: Council
From: Mike Mayes, Director of Financial Services/Treasurer

Further to the Committee of the Whole motion related to the 2019 Operating and Capital Budgets considered at the February 25, 2019 meeting being:

1. *That the report entitled Draft 2019 Operating and Capital Budgets dated February 25, 2019 be received; and,*
2. *That staff be directed to reduce the tax-supported operating budget employing the 3.20% option outlined in the report; and,*
3. *That there be an additional reduction in the tax-supported contributions to the Asset Replacement Fund equivalent to a 0.25% tax reduction with the result of a 2.95% tax increase; and,*
4. *That the budget for the maintenance of the Mulock Farm be reduced by \$150,000, with these funds transferred to a reserve for the Mulock Farm; and,*
5. *That staff be directed to make the appropriate changes to the recommendations and body of the report to reflect these changes for their consideration by Council on March 4, 2019; and,*
6. *That the following projects be included in the capital budget:*
 - a. *Riverwalk Commons Lighting Features (PARK19)*
 - b. *Mobile Water Filling Station – Quench Buggy (WW1)*
7. *That the following project be included in the capital budget:*
 - a. *Electric Vehicle Charging Station Network (PLN8)*

The following revisions are made to Recommendations # 2 and # 3 of Report 2019-23 – Draft 2019 Operating and Capital Budgets as follows:

Recommendations

2. That the draft 2019 Operating Budget with expenditures of \$130,760,357 be approved, which is comprised of the following components;

\$62,416,852 for the Town portion
\$17,499,369 for Central York Fire Services (Newmarket's share)
\$3,588,899 for the Library portion
\$1,810,000 for the Mulock Farm levy
\$30,000 for the Newmarket Business Improvement Area (BIA)
\$18,985,783 for the Water Rate Group
\$21,646,586 for the Wastewater Rate Group
\$2,069,804 for the Stormwater Management Rate Group
\$2,713,064 for the Building Permit Rate Group

3. And that the draft 2019 Capital Budget with new expenditures of \$27,692,765 be approved; and

Discussion

Mulock Farm operating costs

The draft budget has been revised to include an additional \$100,000 for the maintenance of the Mulock Estate – the heritage building and the 12-acre property; the original request was for \$250,000. This is in addition to \$100,000 for maintenance included in the 2018 budget. These growth-related expenses will be funded from assessment growth and have no impact on the tax increase. The remaining \$150,000 originally allocated to the Mulock Farm is to be transferred to the Mulock Farm reserve for future use.

The recommendations have been revised accordingly.

Reductions options for the tax-supported budget

Committee of the Whole has recommended the option provided which is to reduce the tax increase to 3.20%, and in addition have directed that the contributions to the Asset Replacement Fund be further reduced to result in a tax increase of 2.95%.

In summary, the changes are:

- An increase of \$100,000 in Supplementary Taxation revenue.
- A net increase of \$300,000 in Investment Income.
- Reduction of the Casual Wage Provision by \$40,000 to \$80,000.

- Reduction of the proposed increase in the tax-supported contributions to the Asset Replacement Fund by \$145,000. The increase for 2019 would now be \$440,000.

The net total is \$585,000, equivalent to a 1% reduction in the tax levy.

The recommendations have been revised accordingly.

Additional projects for possible inclusion in the capital budget

Three capital projects which had been previously deferred for consideration in 2020, have been added to the capital budget for 2019:

- Riverwalk Commons Lighting Features (PARK19)
- Mobile Water Filling Station - Quench Buggy (WW1)
- Electric Vehicle Charging Station Network (PLN8)

The summary for a revised Appendix B – Summary of Capital Budget Decision Packages is attached.

The recommendations have been revised accordingly.

Budget Impact

Operating Budgets

The annual impact to the average residential property would be \$120.

Increase	Draft Budget
Property tax	\$ 57.65
Water/wastewater	58.44
Stormwater	3.99
	\$ 120.08